

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF NOLIN) CASE NO. 10459
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1, 1986)
TO OCTOBER 31, 1988)

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 6, 1988 established this case to review and evaluate the operation of the fuel adjustment clause of Nolin Rural Electric Cooperative Corporation ("Nolin") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Nolin to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Nolin has complied with this Order. The Commission further ordered that a public hearing be held in this case, but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. Nolin has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Nolin, has been authorized to transfer (roll-in) a 0.80 mills per KWH decrease in its base fuel cost to its base rates.¹

3. Nolin should be authorized to transfer (roll-in) a 0.84 mills per KWH decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.80 mills per KWH decrease in EKPC's base rates and this can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached and incorporated hereto, are fair, just, and reasonable and reflect the transfer of fuel costs from the fuel adjustment clause to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Nolin through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Nolin be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its fuel adjustment clause to its base rates.

¹ Case No. 10437, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative Corporation, Inc.

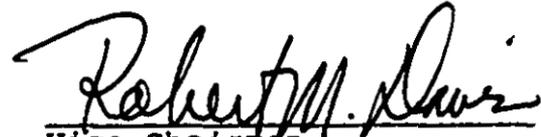
3. The rates in Appendix A are approved for service rendered by Nolin on and after May 1, 1989.

4. Within 30 days of the date of this Order, Nolin shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 31st day of March, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10459 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Nolin Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE 1*
RESIDENTIAL, FARM, NON-FARM, TRAILERS AND MOBILE HOMES

Rates:

All KWH Charge .05766 Per KWH

SCHEDULE 2
COMMERCIAL, SMALL POWER, SINGLE PHASE AND THREE PHASE SERVICE*

Rates:

ALL KWH Charge .06503 Per KWH

SCHEDULE 3
LARGE POWER*

Rate:

Energy Charge

First	2,500 KWH Per Month	\$.05409 Net Per KWH
Next	12,500 KWH Per Month	.04938 Net Per KWH
Over	15,000 KWH Per Month	.04796 Net Per KWH

SCHEDULE 4
INDUSTRIAL*

Rates:

Energy Charge

First	3,500 KWH Per Month	\$.05786 Net Per KWH
Next	6,500 KWH Per Month	.04431 Net Per KWH
Over	10,000 KWH Per Month	.04080 Net Per KWH

SCHEDULE 5
RURAL LIGHT*

Applicable: Entire Service Area*

Rates:

Service for the above unit shall be unmetered and billed on the consumer's monthly bill for other electrical service furnished by the Cooperative, at the rate of \$6.30 each and every month for each lighting fixture contracted for by the consumer.

SCHEDULE 6*

Rates:

Mercury Vapor (MV) or High Pressure Sodium (HPS) Series
or Multiple

Standard Overhead
(Wood Pole)

8,500 MV Initial Lumens 175 KWH Per Month	\$2.77 Per Light Per Month
23,000 MV Initial Lumens 400 KWH Per Month	\$8.71 Per Light Per Month
9,000 HPS Initial Lumens 100 KWH Per Month	\$5.25 Per Light Per Month
27,500 HPS Initial Lumens 250 KWH Per Month	\$7.52 Per Light Per Month
50,000 HPS Initial Lumens 400 KWH Per Month	\$9.74 Per Light Per Month

Ornamental Service
(Aluminum Pole)

8,500 MV Initial Lumens 175 KWH Per Month	\$3.85 Per Light Per Month
23,000 MV Initial Lumens 400 KWH Per Month	\$9.85 Per Light Per Month

9,000 HPS Initial Lumens 100 KWH Per Month	\$12.91 Per Light Per Month
27,500 HPS Initial Lumens 250 KWH Per Month	\$14.63 Per Light Per Month
50,000 HPS Initial Lumens 400 KWH Per Month	\$16.36 Per Light Per Month

SCHEDULE 7
LARGE INDUSTRIAL*

Rates per Month:

Energy Charge

All KWH at \$.03399 Net Per KWH

SCHEDULE 8
LARGE INDUSTRIAL, T-O-D*

Rates per Month:

Energy Charge

All KWH at \$.03399 Net Per KWH

*Fuel Clause Adjustment

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10 percent and is based on a 12-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.